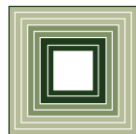


North Carolina Housing Finance Agency

Departmental Overview

Joint Appropriations Subcommittee on General Government

March 31, 2015



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Housing Finance Agency Outline

- Authorizing Laws & Responsibilities
- Agency Mission Statement
- Budget Overview
- Information Requested

Housing Finance Agency Authorizing Laws & Responsibilities

- § 122A – NC Housing Finance Agency
- § 122E – Housing Trust Fund
- § 157-9.2 & Article 11 of § 45– Mortgage loans & foreclosures

Housing Finance Agency Mission Statement

- To create affordable housing opportunities for North Carolinians whose needs are not met by the market

Housing Finance Agency Budget Overview

- Actual expenditures are far greater than State appropriations
- HFA utilizes public-private partnerships
- General Assembly makes appropriations to fund specific programs; money goes directly into “bricks and mortar”, not operating expenses
- FY 2014-15 FTE count: 127

Housing Finance Agency Budget Overview

The table reflects General Fund appropriations only.

Fiscal Year	2010-11	2011-12	2012-13	2013-14	2014-15
General Fund Appropriation	Actual Budget	Actual Budget	Actual Budget	Actual Budget	Certified Budget
Home Match	\$1,608,417	\$1,608,417	\$1,608,417	\$ 1,385,197	\$ 1,458,649
Housing Trust Fund	\$9,576,205	\$7,876,785	\$0*	\$7,000,000	\$6,860,000
Workforce Housing Loan Program**	n/a	n/a	n/a	n/a	\$10,000,000

* \$0 from General Fund in FY 2012-13 due to special Attorney General Settlement

** Workforce Housing Loan Program replaces the State Housing Tax Credit in FY 2014-15

Housing Finance Agency Information Requested

- Agency funding overview; total requirements
- Program overview – Workforce Housing Loan Program
- Governor's proposed budget regarding Standard and Poor's settlement money:
 - HOME Match
 - Housing Trust Fund
 - Workforce Housing Loan Program

Questions?

Housing Finance Agency

Public-Private Partnerships

Investors—individuals, corporations, funds, syndicators

- Purchase mortgage-backed securities and tax exempt bonds that finance homes and apartments
- Invest in Housing Credit developments by purchasing the federal tax credits

Banks and mortgage companies

- Originate and service FirstHome and Home Advantage mortgages
- Provide construction and permanent loans for Housing Credit developments
- Assist delinquent borrowers in accessing the N.C. Foreclosure Prevention Fund

Builders, remodelers, and developers

- Plan and build homes and apartments—each new home generates 5 jobs
- Manage and maintain apartments
- Repair substandard homes and provide energy upgrades

Source: NC Housing Finance Agency

Housing Finance Agency

Public-Private Partnerships

Community organizations

- Use the Supportive Housing Program to leverage capital campaigns, foundation grants, and bank loans, to sponsor housing for persons with special needs
- Use Community Loan Pools to make homes more affordable, including Habitat for Humanity homes

Local governments

- Use Community Loan Pools to make homes more affordable, including in neighborhood revitalization areas
- Use Housing Preservation loans to finance repairs and energy upgrades to homes owned by seniors and disabled persons with very low incomes

Housing counseling agencies

- Help buyers prepare for home ownership and help them identify actions to avoid foreclosure

Source: NC Housing Finance Agency